

Sailors can boost their MGIB

Expansion of benefits goes into effect July 1

By Michael McLellan
NAVPERSCOM Public Affairs

A provision of the recently-enacted Veterans Benefits and Health Care Improvement Act of 2000 permits certain Sailors to increase their monthly Montgomery GI Bill (MGIB) program benefits by making an additional contribution to the program. Only Sailors who entered active duty after July 1, 1985, and enrolled in MGIB during their first two weeks of active duty are eligible.

Effective May 1, each additional contribution of \$4 will increase the monthly MGIB benefit by \$1 under the terms of the Act. The maximum additional contribution possible is \$600. Sailors contributing the maximum would realize an increase to their MGIB monthly benefit

of \$150. In other words, Sailors who make the additional maximum contribution, and are enrolled as full-time students following active duty, will receive a total benefit of \$800 monthly.

There are specific limiting eligibility requirements that apply to this provision. One constraint is that members who elect this option can contribute the additional amount only while serving on active duty. This is the law and is not waivable. However, eligible Sailors who were on active duty on the Nov. 1, 2000, enactment date of the legislation and separated prior to the effective date of May 1, have until July 31 to contribute. Separated members should make payment directly to the Department of Veterans Affairs (DVA). Affected members should contact the DVA at 1-888-GIBILL1, or 1-888-442-4551.

Personnel who are enrolled in the MGIB program by reason of involuntary separation, conversion from Veterans Educational Assistance Program (VEAP) or Vietnam-Era GI Bill, and those who

enrolled in MGIB during the open enrollment period of Dec. 1, 1988, through June 30, 1989, are not eligible for this option.

"A nine-to-one return on your investment is possible," explained Kathy Wardlaw, branch head of the federal education programs branch (PERS-604) at Navy Personnel Command in Millington, Tenn.

"Combine the current MGIB benefit amount with the benefit available by making the maximum contribution allowed by the new law, and use the benefit for the full 36 months to maximize your benefit," she said.

Further details regarding necessary action for participation will be announced soon via Navy-wide message.

Additional information is available by calling PERS-604 MGIB program customer service representatives at DSN 882-4258 or 1-800-962-1425.

Kathy Wardlaw can be reached at DSN 882-4275 or (901) 874-4275, or by e-mail at p604@persnet.navy.mil.

Education Continues to pay off big with VEAP

By JOC Milinda Jensen
CNP Public Affairs

Education can make a world of difference in your lifestyle, especially if you are a retiree. And financing that education is where the switch from the Veterans Education Assistance Program (VEAP) to the Montgomery GI Bill (MGIB) Program really pays off big.

The basic monthly payment under the MGIB Program is \$650 for 36 months of full-time schooling for a maximum of \$23,400, in comparison to a member enrolled in VEAP, who would receive a up to \$300 a month for 27 months of full-time training for a maximum of \$8,100.

Converting from VEAP to the MGIB Program requires a payment of \$2,700 into MGIB within 18 months of converting from VEAP. VEAP allows you to contribute any amount up to \$2,700. If you remain enrolled in VEAP, any unused portion of your VEAP contributions is fully refundable to you.

Total taxable income is reduced the same way as the current MGIB Program; whether it's by making the \$2,700 one-time payment, or by monthly payments.

However, certain restrictions apply to the conversion program. Public Law 106-419 authorizes Sailors who partici-

pated (opened a VEAP account, regardless if money was put into the account) in the program on or before Oct. 9, 1996, and served continuously from that date through April 1, 2000, the opportunity to enroll in the MGIB Program.

October 31 is the deadline to enroll in the MGIB Program.

Members participating in the conversion program who are retiring or transferring to the Fleet Reserve and elect to pay all or a portion of the required \$2,700 payment after retirement need to send all remittances and correspondence to Defense Finance and Accounting Service, Code PRRAB, 1240 East 9th Street, Lockbox-CL0001, Cleveland, OH 44199-2055.

Make checks and money orders payable to Defense Finance and Accounting Service. In the memo portion of the check or money order, write "MGIB."

For additional information on eligibility for conversion from VEAP to MGIB, call Navy MGIB Program customer service at 1-800-962-1425.

For questions concerning payment procedures for the \$2,700, call DFAS at DSN 580-5986 (ext. 5005), or (216) 522-5986 (ext. 5005).